

Message Text

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ACTION EA-10

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FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 3249

C O N F I D E N T I A L BANGKOK 7184

E.O. 11652:GDS

TAGSC EMIN, EINV, TH, EX

SUBJECT: TEMCO

DEPARTMENT PASS OPIC

1. AT A MEETING ON APRIL 22 THE CABINET DECIDED TO FORM A NEW STATE ENTERPRISE, ONE HUNDRED PERCENT OWNED BY THE GOVERNMENT, TO OPERATE THE TEMCO CONCESSIONS. IT ALSO DIRECTED THE MINISTER OF INDUSTRY SURIN THEPKANCHANA TO "SETTLE LEGAL COMPLICATIONS WITH THE COMPANY." EMBASSY OFFICERS HAVE SPOKEN TO UNION CARBIDE OFFICIALS HERE WHO, DESPITE SEEMING FINALITY OF CABINET DECISION, STILL BELIEVE THAT THE GOVERNMENT WAS "MOVING TOWARDS OUR PROPOSAL" WHICH WOULD INVOLVE FORMING A NEW COMPANY TO OPERATE THE CONCESSIONS FOR THE GOVERNMENT. CARBIDE OFFICIALS BASE THIS CONFIDENCE ON THEIR CONVERSATIONS WITH DEPARTMENT OF MINERAL RESOURCES OFFICIALS AND VARIOUS INTERMEDIARIES CLAIMING TO REPRESENT THE MINISTER OF INDUSTRY. LATTER HAVE ASURED CARBIDE THAT THE MINISTER OF INDUSTRY IS "ON THEIR SIDE." CARBIDE OFFICIALS THROUGHOUT MOST OF THE TURNS THAT THE TEMCO CONTROVERSY HAS TAKEN HAVE USUALLY BEEN CONFIDENT BUT REGRETTABLY THEIR CONFIDENCE HAS SO FAR NOT BEEN JUSTIFIED. WHETHER THEY WILL BE PROVEN RIGHT THIS TIME OR HAVE AGAIN FALLEN FOR THAI FLIM-FLAM REMAINS TO BE SEEN.

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2. CARBIDE OFFICIALS HAVE NOT BEEN ABLE TO SEE ANY

RESPONSIBLE POLITICAL FIGURE IN THE GOVERNMENT, ALTHOUGH INTERMEDIARIES HAVE "ARRANGED" MEETING WITH MINISTER OF INDUSTRY SURIN AND WITH MINISTER OF AGRICULTURE THAWIT KLINPRATHUM, BUT THE MEETINGS HAVE ALWAYS BEEN CANCELLED AT THE LAST MOMENT. UNION CARBIDE OFFICIAL FRANK GILLESPIE STILL HOPES TO SEE MINISTER OF INDUSTRY BEFORE HIS SCHEDULED DEPARTURE FOR NEW YORK APRIL 24. IN THE COURSE OF THESE NEGOTIATIONS WITH INTERMEDIARIES, CARBIDE HAS BEEN APPROACHED TO MAKE A CONTRIBUTION, SIZE UNSPECIFIED, TO THE SOCIAL JUSTICE PARTY, OF WHICH THAWIT IS THE HEAD AND SURIN A MEMBER. GILLESPIE HAS CONFIDED TO US THAT UNDER NO CIRCUMSTANCES WOULD ANY CONTRIBUTIONS BE MADE TO ASSIST THEIR CAUSE.

3. ECONOMIC/COMMERCIAL COUNSELOR ON APRIL 16 DISCUSSED WITH PRIME MINISTER KHUKRIT PRAMOT THE SPECIFICS OF THE TEMCO CASE AND ITS GENERAL IMPLICATIONS. KHUKRIT AGREED THAT A RESOLUTION SATISFACTORY TO ALL CONCERNED WAS ESSENTIAL. THE PRIME MINISTER SAID HE THOUGHT THE CARBIDE-SHELL PROPOSAL TO OPERATE THE CONCESSION FOR THE GOVERNMENT HAD MERIT AND WOULD WORK FOR ITS ACCEPTANCE IN THE CABINET. HE ALSO SAID THAT HE WAS GOING TO FIRE THE GOVERNOR OF PHANG-NGA WHO HAS BEEN A THORN IN THE SIDE OF THE COMPANY SINCE THE BEGINNING OF THE CONTROVERSY. KHUKRIT DOES NOT, HOWEVER, HAVE EFFECTIVE CONTROL OVER THE SHAKY COALITION HE PRESIDES OVER AND IT REMAINS TO BE SEEN WHETHER THE VIEWS HE HAS EXPRESSED CAN BE TRANSLATED INTO ACTION.

4. IT IS NOW CARBIDE'S MOVE AND AS LONG AS THEY BELIEVE THAT THE WAY IS STILL OPEN TO SALVAGE SOMETHING FROM TEMCO, THE EMBASSY WILL TAKE NO DIRECT ACTION BUT WILL CONTINUE TO KEEP WASHINGTON INFORMED.
MASTERS

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